

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)	
FILING OF KENTUCKY FRONTIER)	CASE NO. 2012-00123
GAS, LLC D/B/A PEOPLE'S GAS)	
COMPANY, INC.)	

ORDER

On January 29, 2010, in Case No. 2009-00492, the Commission approved Kentucky Frontier Gas, LLC's ("Kentucky Frontier") acquisition of the assets of People's Gas Company, Inc.¹ Upon completion of the acquisition, Kentucky Frontier d/b/a People's Gas Company, Inc. ("People's") adopted the tariff of People's, which included a Gas Cost Adjustment ("GCA") clause that provided for the adjustment of rates on a quarterly basis to reflect changes in the cost of purchased natural gas.

On March 29, 2012, People's filed its GCA to be effective May 1, 2012.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. People's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. People's notice sets out an Expected Gas Cost ("EGC") of \$6.7641 per Mcf, which represents an increase of \$.2117 per Mcf from its previous EGC of \$6.5524 per Mcf.

¹ Case No. 2009-00492, Application of Kentucky Frontier Gas Company, LLC for Approval of Transfer of People's Gas Company Assets (Ky. PSC Jan. 29, 2010).

3. People's notice sets out no current quarter Refund Adjustment.
4. People's notice sets out a current quarter Actual Adjustment ("AA") in the amount of \$.1264 per Mcf. People's total AA of \$.4254 per Mcf is an increase of \$.0199 per Mcf from its previous total AA of \$.4055 per Mcf.
5. People's notice proposes no current quarter Balance Adjustment ("BA"). People's total BA of \$.0000 per Mcf represents an increase of \$.0399 per Mcf from its previous total BA of (\$.0399) per Mcf.
6. People's GCA is \$7.1895 per Mcf, which is an increase of \$.2715 per Mcf from its previous GCA of \$6.9180 per Mcf.
7. The rates in the Appendix to this Order are fair, just, and reasonable and should be approved for billing for service rendered by People's on and after May 1, 2012.

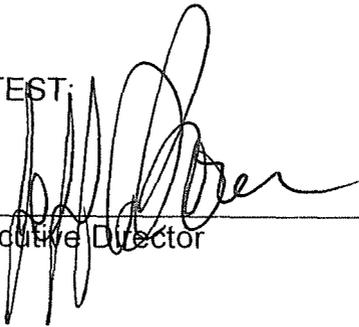
IT IS THEREFORE ORDERED that:

1. The rates in the Appendix attached hereto and incorporated herein are approved for billing for service rendered on and after May 1, 2012.
2. Within 20 days of the date of this Order, People's shall file its revised tariff sheets with this Commission setting out the rates authorized herein and reflecting that they were approved pursuant to this Order.

By the Commission

ENTERED ^{PA}
APR 24 2012
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

Case No. 2012-00123

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2012-00123 DATED APR 24 2012

The following rates and charges are prescribed for the customers in the area served by People's Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

Monthly:

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First 1 Mcf – Minimum Bill	\$ 4.3971	\$ 7.1895	\$ 11.5866
Over 1 Mcf	\$ 2.7670	\$ 7.1895	\$ 9.9565

Dennis Horner
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